

Owning or Sharing? How Feeling Financially Constrained Decreases Participation in Access-Based Services

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Introduction

Feeling financially constrained results from the belief that one's desired consumption is restricted by one's financial situation (Tully, Hershfield, & Meyvis, 2015).

The current paper investigates how financial constraints influence a less traditional mode of consumption: access-based consumption (Bardhi & Eckhardt, 2012).

Feeling financially constrained is particular relevant in access-based services (ABS) contexts for two main reasons:

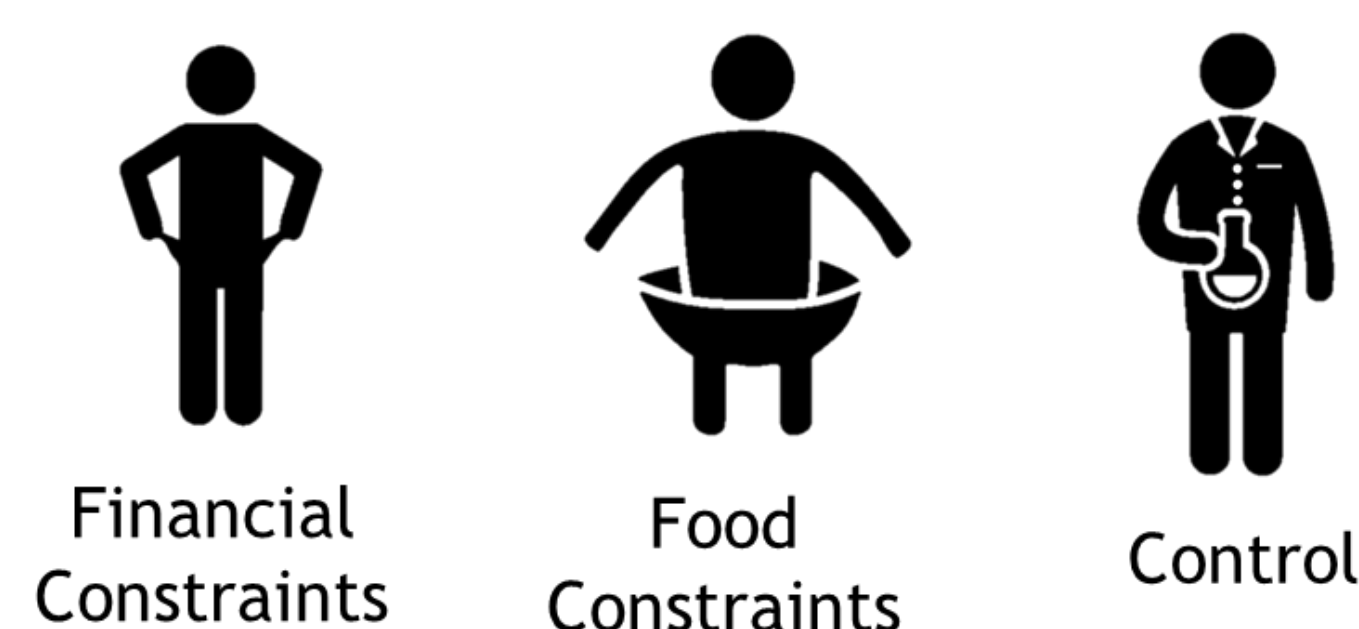
- (1) Few lower income consumers participate in ABS
- (2) By using ABS, low-income consumers can afford products/services otherwise too expensive and gain the most from sharing economy

Methods & Results

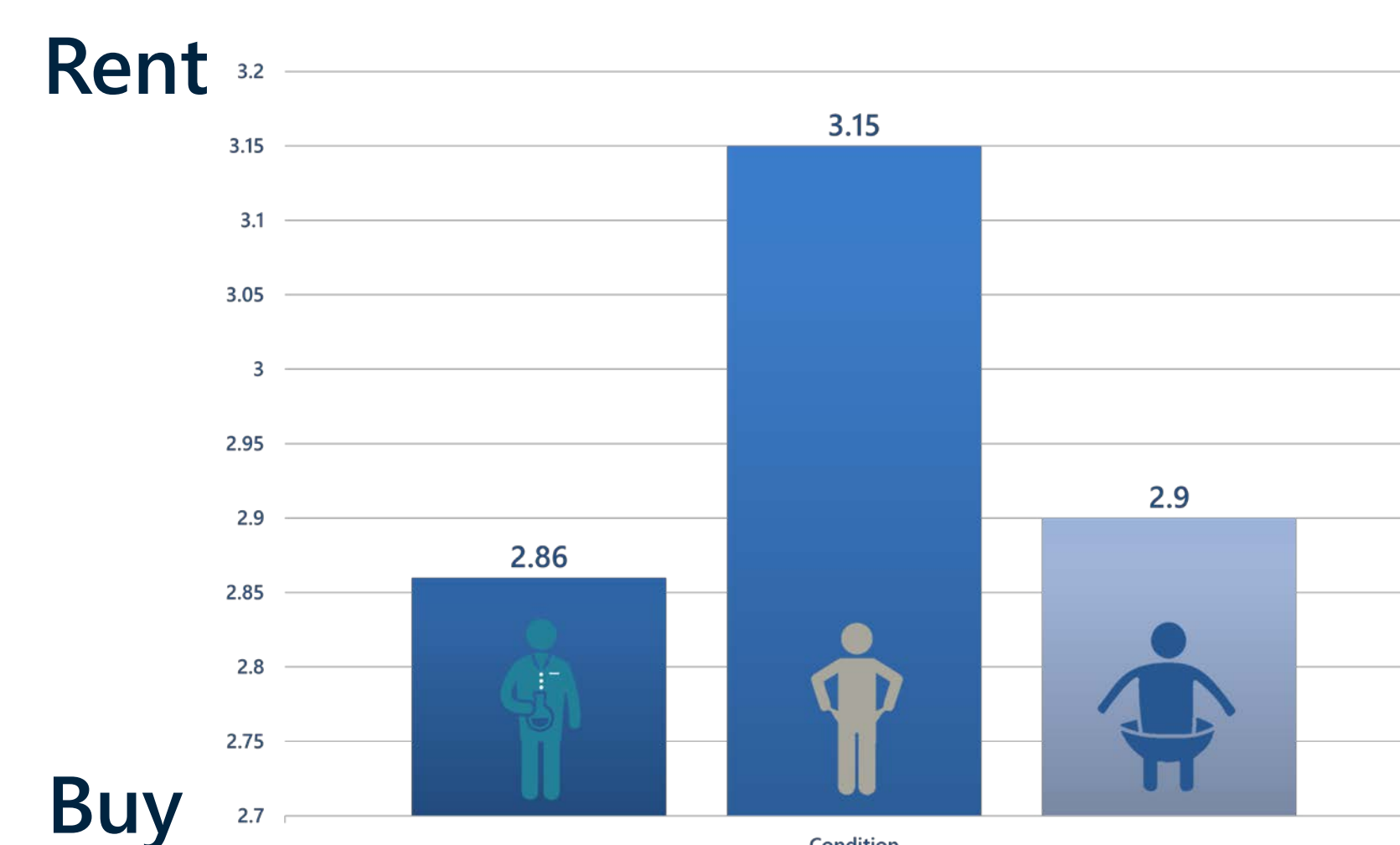
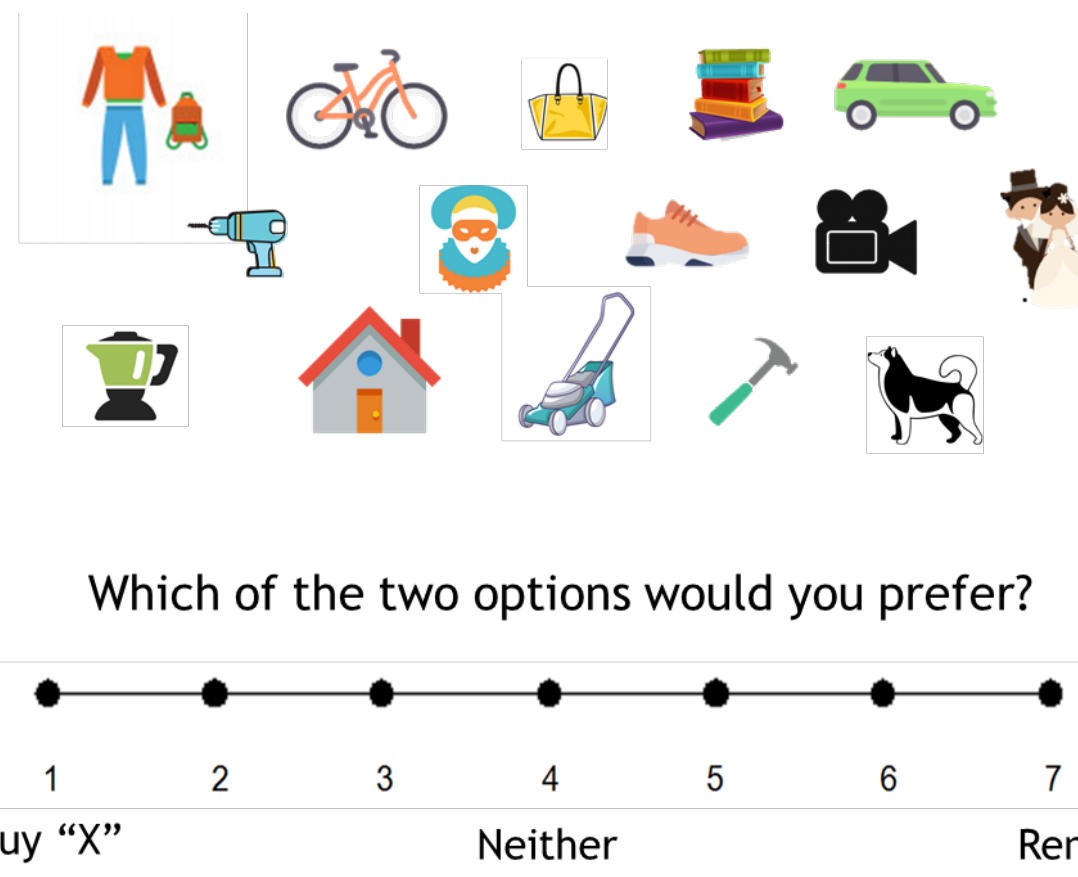
Study 1: Buying vs Sharing

(N=306; Prolific sample)

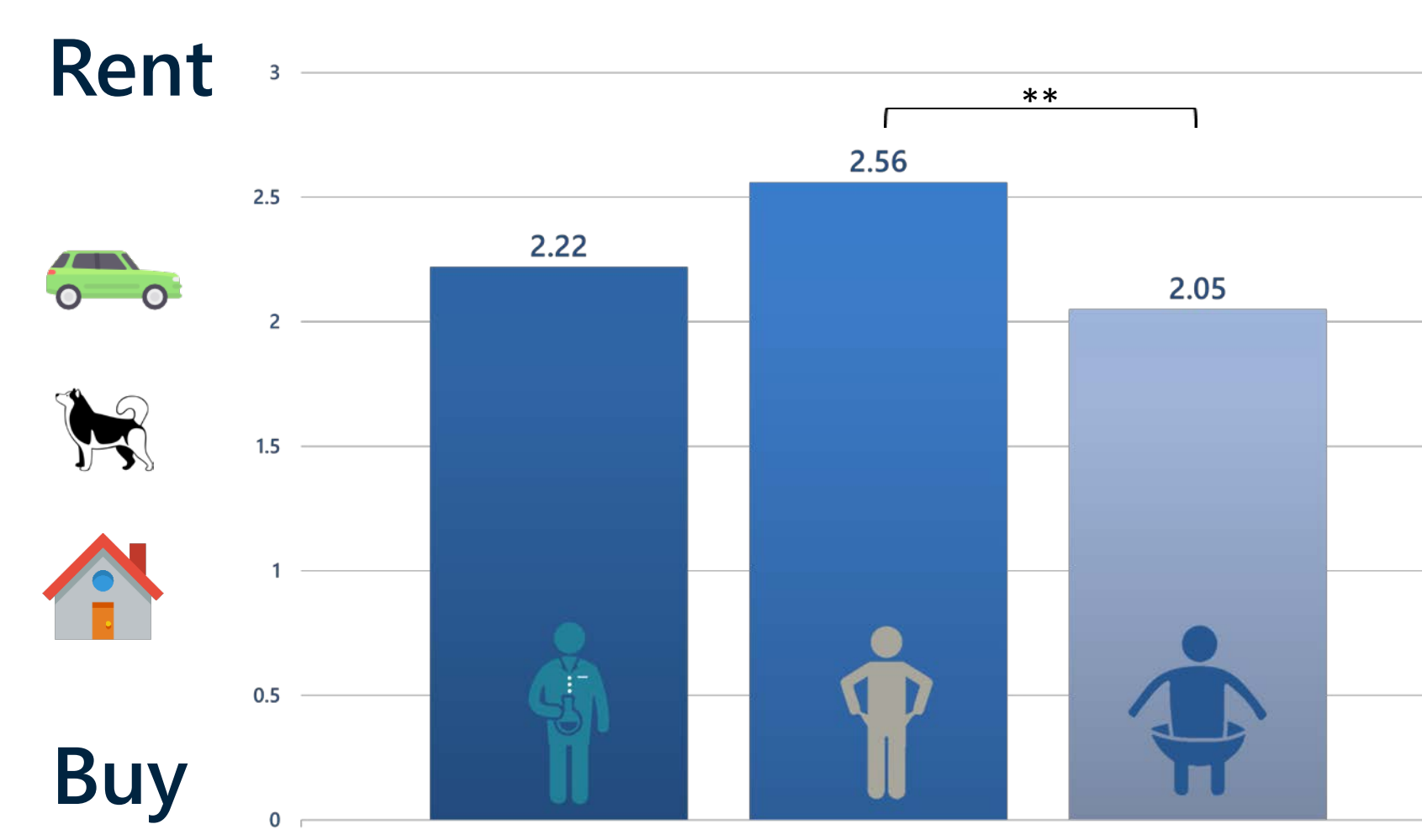
Phase I Manipulation of feeling financially constrained



Phase II Evaluation of 15 products' categories



No significant difference among combined products' categories ($F(2,283)=1.146$, $p=n.s.$)

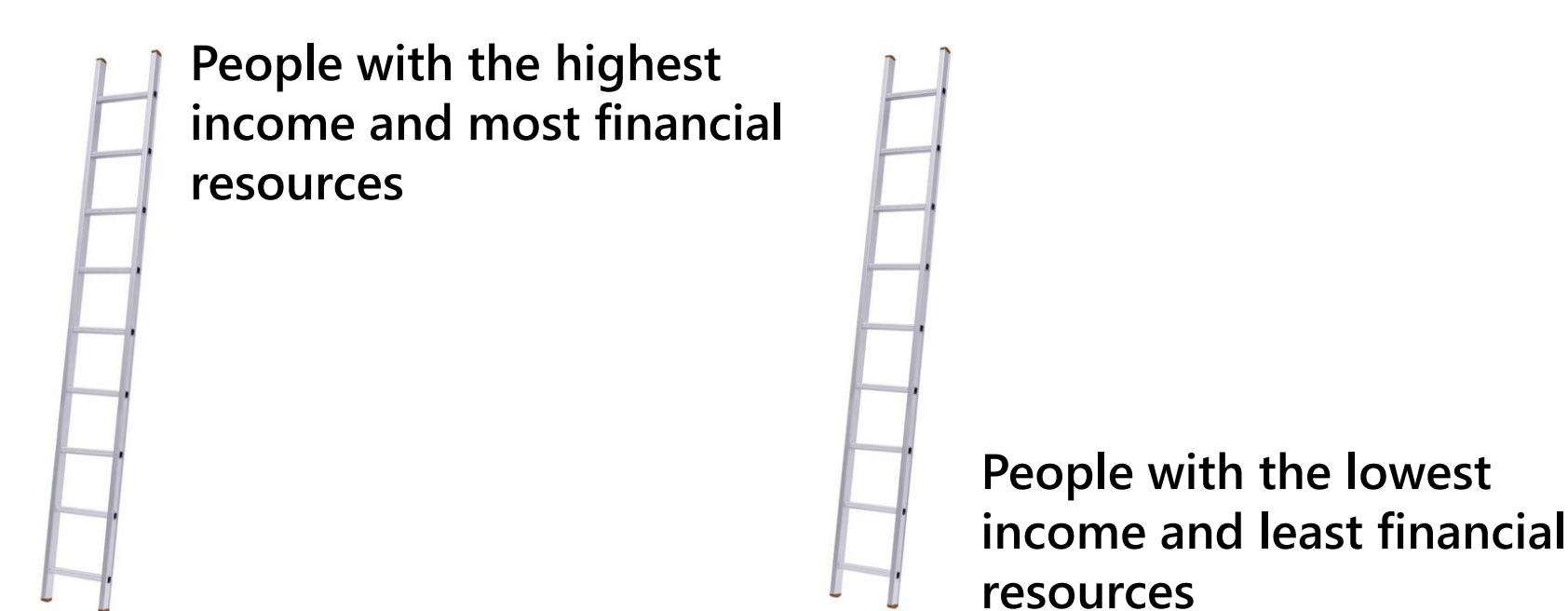


Financially constrained consumers ($M=2.56$, $SD=1.47$) prefer to rent more than food constrained consumers ($M=2.05$, $SD=1.12$; $F(2,283)=4.089$, $p=.018$)
Other products: NS difference between groups

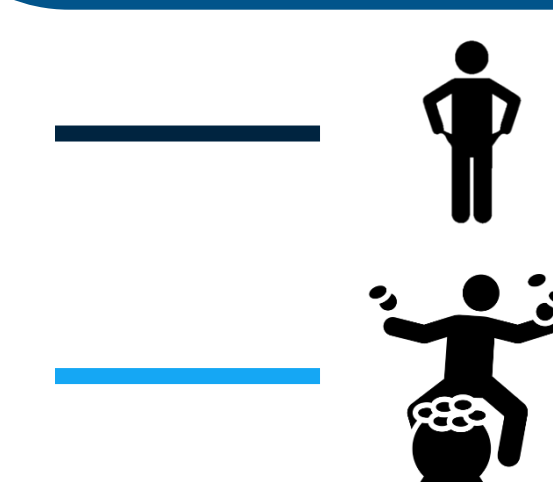
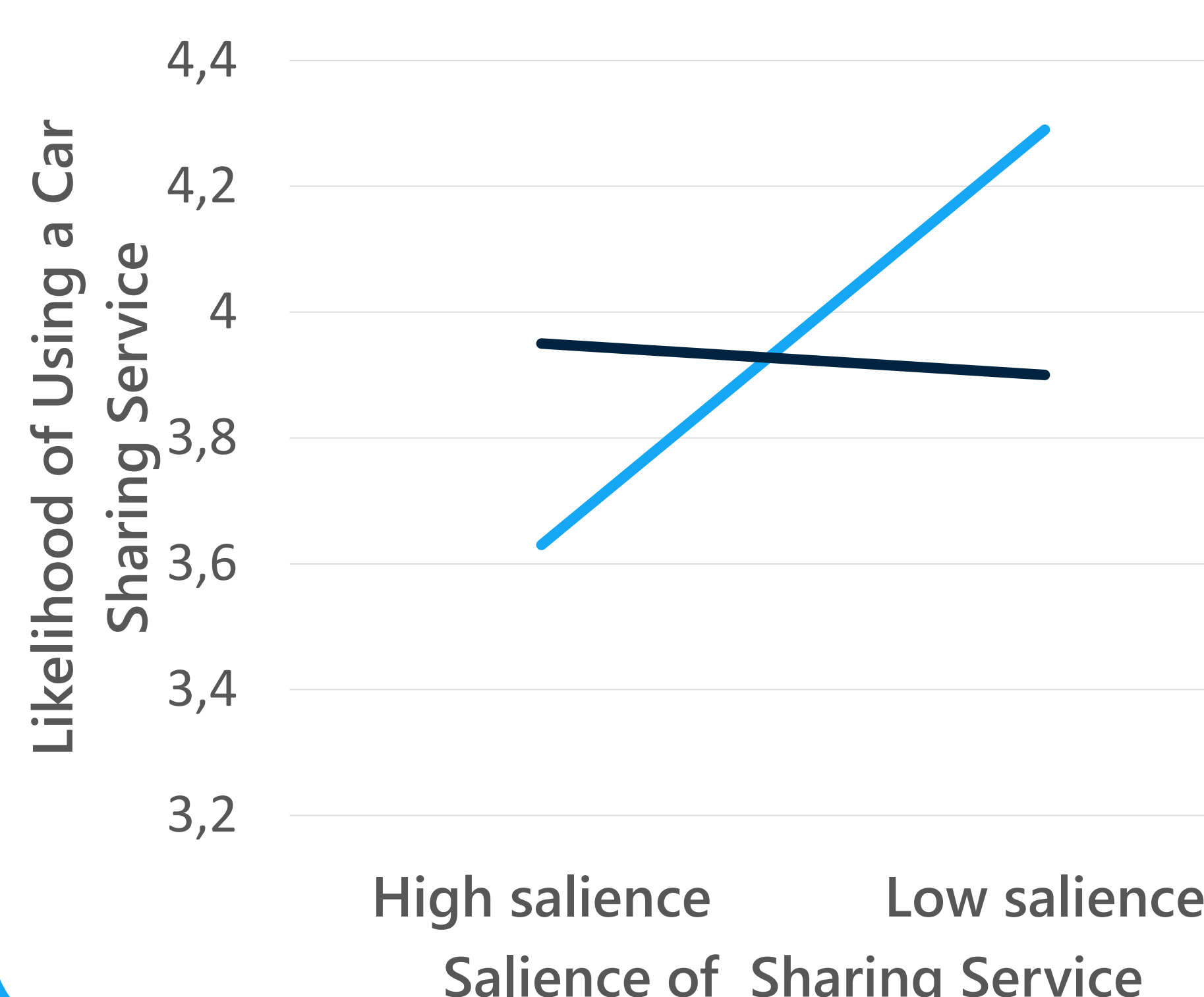
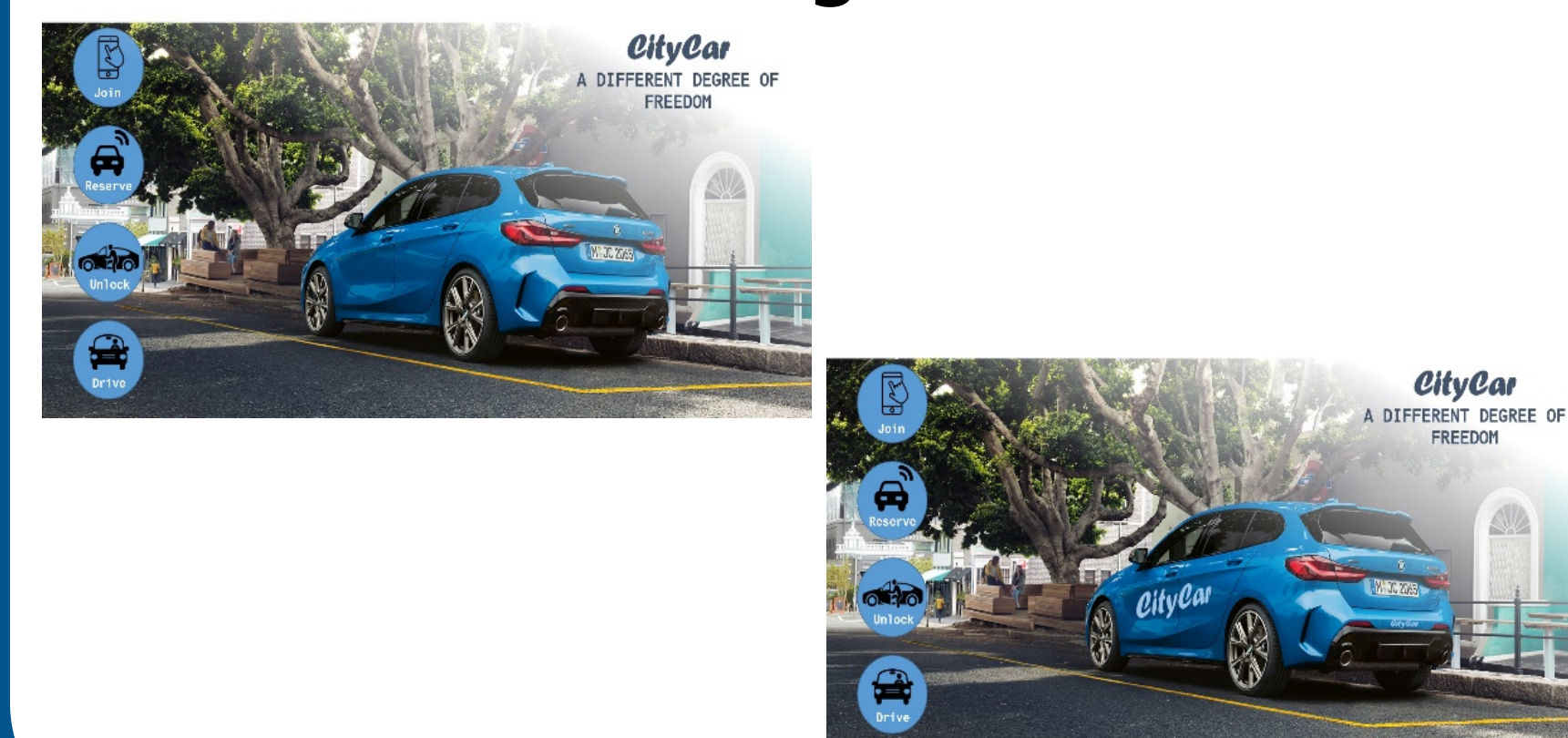
Study 2: Likelihood of Using a Car-Sharing Service

(N=506; Prolific sample)

Phase I Manipulation of feeling financially constrained



Phase II Manipulation of salience of sharing services



Significant two-way interaction of feeling financially constrained and salience of sharing service ($F(1,500)=6.71$; $p=.010$)

Less financially constrained consumers prefer using car sharing when the brand is less ($M=4.29$, $SD=1.40$) rather than more salient ($M=3.90$, $SD=1.62$; $F(1,500)=11.50$, $p=.001$)

NS difference among financially constrained consumers

Discussion

Building on the previous literature, the current study argues that feeling financially constrained reduces consumers' willingness to engage in ABS.

HOWEVER,

The results of the experiments turned out to be either non-significant or conflicting with our hypothesis.

Feeling financially constrained



Likelihood of using ABS

Theoretical Framework

Feeling financially constrained

Likelihood of using ABS

Based on previous findings, we predict that feeling financially constrained will reduce consumers' willingness to use ABS for three main reasons:

1. Financially constrained consumers prefer lasting products over experiences (Tully et al., 2015).
2. Financially constrained consumers tend to avoid behaviors that reinforce negative feelings about their financial situation (Paley, Tully, & Sharma, 2018).
3. The fear of being judged negatively by others would lead financially constrained consumers to favor the traditional option (buying) over the more innovative way of consumption (ABS).

Key References

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- Paley, A., Tully, S. M., & Sharma, E. (2018). Too Constrained to Converse: The Effect of Financial Constraints on Word of Mouth. *Journal of Consumer Research*, 45(5), 889-905.
- Tully, S. M., Hershfield, H. E., & Meyvis, T. (2015). Seeking lasting enjoyment with limited money: Financial constraints increase preference for material goods over experiences. *Journal of Consumer Research*, 42(1), 59-75.

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